

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. SPU-2005-0015 (RPU-2014-0001, TF-2014-0033)
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**ORDER DOCKETING TARIFF, REQUIRING ADDITIONAL INFORMATION,
CANCELLING CONSUMER COMMENT HEARINGS, AND
ALLOWING OPTIONAL IMPLEMENTATION OF CUSTOMER CREDITS**

(Issued April 2, 2014)

On January 13, 2014, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a “Motion for Approval of Corporate Undertaking and Corporate Undertaking.” IPL said the filing was made in compliance with the Board’s January 31, 2013, order in Docket Nos. SPU-2005-0015 and TF-2012-0577, where IPL was directed to file a corporate undertaking by January 13, 2014, in the event IPL files a general rate case proceeding in the first quarter of 2014. IPL said that it was working with the parties to resolve issues related to the new purchase power agreement (PPA) with NextEra Energy Duane Arnold, LLC (NextEra), but that if those issues were not resolved, IPL was committed to removing NextEra PPA capacity costs from base tariff rates in a general rate case to be filed in 2014, with a refund obligation that begins the same day as energy adjustment clause (EAC) cost recovery for the new NextEra PPA charges starts, that is, on February 22, 2014. For administrative purposes, the filing was identified as Docket No. RPU-2014-0001. The Board approved the corporate undertaking by order issued February 19, 2014.

On February 14, 2014, IPL filed a request for approval of a proposed rate notification pursuant to 199 IAC 26.5(1)"d"(1), which requires that all nonstandard notices be approved by the Board. IPL said that it was preparing to file an application for increased electric rates pursuant to Iowa Code chapter 476, consistent with the commitments it made in Docket No. SPU-2005-0015. The proposed notice, identified as Docket No. RN-2014-0001, was approved, with some modification, by order issued March 13, 2014. The order also scheduled eight consumer comment hearings throughout IPL's service territory.

IPL did not send the approved rate notice to its customers. On March 25, 2014, IPL, the Consumer Advocate Division of the Department of Justice (Consumer Advocate), the Iowa Consumers Coalition (ICC), and the Large Energy Group (LEG) filed a unanimous settlement agreement and joint motion for approval of agreement. The proposed settlement by all parties to Docket No. SPU-2005-0015 interested in the potential double recovery issue, resolves the potential double recovery of Duane Arnold Energy Center PPA costs raised in that docket.

The proposed settlement also contains, among other things, an electric base rate increase moratorium and provisions for returning certain customer credits to IPL customers. Because no electric base rate increase is being sought, the filing renders the corporate undertaking and proposed rate case notice moot. The proposed settlement is filed to comply with the Board's January 31, 2013, order in Docket No. SPU-2005-0015; because the parties reached a proposed settlement agreement, no rate case filing is necessary and Docket Nos. RPU-2014-0001 and RN-2014-0001

exist only for administrative purposes. The proposed settlement is a continuation of the primary docket, SPU-2005-0015.

On the same day the proposed settlement was filed (March 25, 2014), IPL filed a proposed tariff, identified as TF-2014-0033, that contains a new rider and changes to IPL's energy adjustment clause that would implement the customer credits agreed to in the proposed settlement. The tariff changes provide that there will be no increase in IPL's electric base rates. Because there is to be no increase in base rates, there is no electric rate proceeding and the consumer comment hearings scheduled by order issued on March 13, 2014, in Docket No. RN-2014-0001 will be cancelled.

In order to evaluate the proposed settlement and tariff, the Board requires additional information. IPL is to provide the following information, attested to by affidavit or affidavits, as expeditiously as possible, but no later than April 9, 2014. The other parties to the proposed settlement, Consumer Advocate, ICC, and LEG may also file responses to these requests, but are not required to do so.

1. Provide support for IPL's actual and projected revenue requirement for each of the years of the proposed base rate moratorium, 2013 through 2016, including projected taxes, capital structure, rate base, anticipated debt issuances and repayments (along with their projected timing), equity infusions, and dividends.

2. Provide support for IPL's actual and projected revenues, with revenues for each of the riders shown separately, for each of the years of the proposed base rate moratorium, 2013 through 2016. Also provide supporting schedules for the revenue projections.

3. Provide support for the amounts of the customer credits, including any supporting schedules, contained in Article IX of the proposed settlement.

4. Provide support for the percentage allocations of the customer credits by customer class detailed on page 7 of the proposed settlement. Also provide the most recent calendar year sales for each customer class listed on page 7 of the proposed settlement.

5. Provide support and the rationale for the \$5 million credit to Standby Customers, including details about their concerns regarding transmission charges referenced on page 7 of the proposed settlement and what the transmission charges associated with standby service would be with and without the credit.

The Board will docket and suspend the proposed tariff, TF-2014-0033, to allow time to review the tariff, proposed settlement, and additional information. After the additional information is filed, the Board will determine what, if any additional procedures are appropriate, such as requesting follow-up information. However, the Board may proceed directly to ruling on the proposed tariff and settlement if it determines that no additional information is required.

The Board is mindful that the parties want the customer credits contained in the proposed settlement to begin on May 1, 2014. While the Board will complete its review of the filings as expeditiously as possible, review of the information that IPL is to provide and any follow-up procedures necessary may not be completed by May 1. Therefore, the Board will allow IPL to begin implementation of the customer credits as contained in the proposed settlement on May 1, 2014, if all parties agree. Any subsequent modifications to the customer credits after the Board's review would be

addressed via a true-up filing. If the parties agree that implementation of the customer credits should begin on May 1, 2014, a filing indicating their agreement is to be made on or before April 24, 2014.

IT IS THEREFORE ORDERED:

1. TF-2014-0033 is docketed for investigation and suspended.
2. IPL shall provide the information identified in this order as expeditiously as possible, but no later than April 9, 2014. Other parties may also respond to the information requests but are not required to do so.
3. The eight consumer comment hearings scheduled by order issued March 13, 2014, in Docket No. RN-2014-0001 are cancelled.
4. The parties to this proceeding may agree to begin implementation of the customer credits in the proposed settlement, subject to true-up, on May 1, 2014. If the parties agree to this process, a filing indicating such agreement shall be made on or before April 24, 2014.

UTILITIES BOARD

/s/ Elizabeth S. Jacobs

/s/ Nick Wagner

ATTEST:

/s/ Joan Conrad
Executive Secretary

/s/ Sheila K. Tipton

Dated at Des Moines, Iowa, this 2nd day of April 2014.